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## **First Ipswich Bancorp and Hampshire First Bank Sign Definitive Agreement on Branch Office Sale**

**Ipswich, MA** – First Ipswich Bancorp (OTCBB: FIWC), the bank holding company for The First National Bank of Ipswich (FNBI), announced today that FNBI signed a purchase and assumption agreement with Hampshire First Bank for the sale of FNBI’s Portsmouth branch office located at 77 Hanover Street.

The transaction is expected to close in the fourth quarter of 2009, pending regulatory approval. Under the terms of the agreement, Hampshire First Bank will assume operations at the Hanover Street location and will administer the banking center for commercial and residential banking use.

According to Russell G. Cole, President and CEO of FNBI, “This transaction is further evidence of our strategic commitment to increased efficiency and greater profitability. We’ve taken a number of steps to achieve our objectives of positioning the Bank as a premier community bank.”

Maintaining a high level of customer satisfaction was a key consideration for FNBI when it first considered the sale of its Portsmouth branch office. According to Mr. Cole, “In pursuing this strategic move, we worked carefully to identify a community bank committed to retaining the current employees of the branch and to continue providing the high standards that FNBI customers have come to expect. Hampshire First Bank met all our criteria.”

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